

The Ascendancy of Chinese Animation: An Analysis of Market Performance, Production Innovation, and Policy Support

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This paper analyzes the recent evolution of the Chinese animation industry through the lenses of market performance, production innovation, and policy support. In 2023, China's film industry recorded revenues of RMB 47.8 billion (USD 7.3 billion), with animated films playing an increasingly important role. Titles such as Miles from Chang'an (长安三万里, Cháng'ān sān wàn lǐ) and Boonie Bears: Guardian Code (熊出没·伴我“熊芯”, Xióng chūmò · Bàn wǒ “xióng xīn”) each earned over RMB 1.4 billion, confirming a strong domestic demand for high-quality animation. The industry is undergoing a structural transition from quantity-driven production to quality-oriented innovation. While the volume of television animation declined from 300,000 minutes in the early 2010s to 150,000 minutes in 2023, production value and artistic refinement have significantly increased. A key driver of this transformation is artificial intelligence, which is reshaping workflows through generative tools, AI-based motion capture, and automated design systems. Projects such as Qianqiu Shisong (千秋诗颂, Qiānqiū shī sòng) and Tuan Yuan Ling (团圆令, Tuányuán lìng) exemplify how AI can accelerate production while enhancing visual and narrative sophistication. The global success of Ne Zha 2 (哪吒2, Nèzhā 2) marks a historic milestone. With over USD 2.085 billion in global box office revenue, it is now the highest-grossing animated film worldwide, surpassing Inside Out 2. This achievement highlights China's growing cultural influence and affirms the industry's potential as a global leader in animated storytelling.

Keywords: Chinese animation industry, market performance, production innovation, government policy, artificial intelligence in animation

Introduction

Animation has been deeply embedded in Chinese cultural expression since antiquity, with historical roots in shadow puppetry and narrative folk traditions. In recent decades, however, Chinese animation has undergone a structural transformation, evolving into a strategic pillar of the national cultural and creative industries. This shift is fueled by robust policy support, technological innovation, and increasing domestic and international market integration (Keane 2013, Lent 2013).

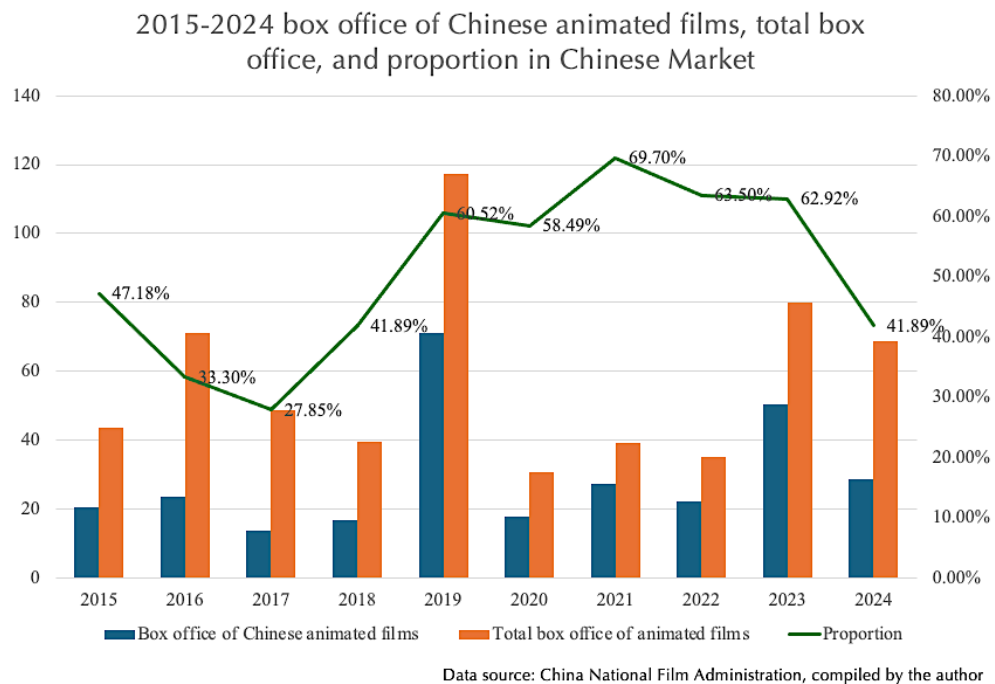
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China's animation sector, once considered peripheral in the global audiovisual landscape, has now emerged as a dynamic and competitive industry. As of 2023, China's film industry reached box office revenues of RMB 47.8 billion (approximately USD 7.3 billion), with animated features playing a central role in this recovery-driven growth (Sun & Wang, 2023). Notably, two Chinese animated films ranked among the top ten highest-grossing films of the year: *30,000 Miles from Chang'an* (长安三万里, Cháng'ān Sān Wàn Lǐ) grossed over RMB 1.82 billion (USD 275 million), while *Boonie Bears: Guardian Code* (熊出没·伴我“熊芯”, Xióng Chūmò·Bàn Wǒ “Xióng Xīn”) surpassed RMB 1.49 billion (USD 228 million), underlining the strong audience demand for domestic animated productions (Animation 2023 年中国动画产业发展报告).



The industry's evolution has been marked by a transition from quantity to quality. Between 2010 and 2015, China was the world's leading producer in terms of animation output, peaking at over 300,000 minutes per year (Hong Kong Film Archive, 2014). Yet, in 2023, production was halved to around 150,000 minutes of television animation (Sun and Wang 2023). Rather than reflecting decline, this reduction signals a strategic reorientation toward higher-value, more culturally sophisticated content. In parallel, the online animation market has expanded rapidly, with 508 titles registered in 2023, distributed across major platforms such as Bilibili, iQiyi, Tencent Video, and Youku (ibid.).

A defining trend of recent years has been the industry's embrace of traditional culture and aesthetic localization. Numerous productions incorporate mythological motifs from classics like *Journey to the West* (西游记, Xī Yóu Jì), *Strange Tales from a*

Chinese Studio (聊斋志异, Liáozhāi Zhìyì), and *The Classic of Mountains and Seas* (山海经, Shānhǎijīng), revitalizing Chinese heritage through animation (Chen, 2005). This cultural strategy is aligned with the government's broader cultural soft power ambitions and complements its "Going Out" policy, which promotes Chinese cultural exports (Keane 2013, Qing 2006).

From a market perspective, Chinese animation has gradually moved beyond the "low-age" stereotype traditionally associated with children's content. The current trajectory points toward a "full-age" audience model, with increasing engagement from youth and adult viewers (The Development Status of China's Animation Industry's Foreign Trade 2023). Works such as *Ne Zha* (哪吒之魔童降世, Nézhā Zhī Mótóng Jiàngshì 2019) and *Deep Sea* (深海, Shēnhǎi 2023) have demonstrated not only commercial appeal but also elevated artistic ambition. The latter, for instance, employed particle ink painting style and advanced 3D technologies, earning international acclaim and entry into the 73rd Berlin International Film Festival (ibid.; Sun and Wang 2023).

Moreover, the application of artificial intelligence has begun to reshape production workflows. In 2024, CCTV aired the first AI-generated animation, *Qianqiu Shisong* (千秋诗颂, Qiānqiū Shīsòng), produced using generative AI tools to automate scene rendering and musical scoring (Xinhua News Agency 2024). This signals a new era in animation production where AI augments creative labor, reduces costs, and accelerates delivery cycles, while still requiring human oversight and cultural curation.

From a global standpoint, the internationalization of Chinese animation has reached new heights. The inclusion of *Ne Zha 2* (哪吒 2) in the global all-time top 5 box office represents a historic milestone: it is the first animated film produced outside Hollywood to achieve such a ranking. As of early 2025, *Ne Zha 2* has surpassed *Star Wars: The Force Awakens* (USD 2.071 billion), with a total global gross exceeding USD 2.085 billion—USD 2.054 billion from the domestic market and over USD 31 million from international markets, according to Maoyan data (Maoyan 2025, The Hollywood Reporter 2025). It has also overtaken *Inside Out 2* (2024) to become the highest-grossing animated film in global history.

This paper presents a comprehensive analysis of the ascendance of Chinese animation, focusing on three interlinked dimensions: market performance, production innovation, and government policy. Drawing on quantitative data, case studies, and comparative insights, it investigates how the synergy between cultural strategy, technological disruption, and institutional support has redefined the animation sector's domestic and international trajectory. Special attention is given to the role of private studios, AI-assisted workflows, and the evolving audience ecology. The findings aim to contribute to a more nuanced understanding of Chinese animation's global repositioning and future potential in the creative economy.

Historical Origins and Early Development

Ancient Roots: Shadow Puppetry and Traditional Storytelling

The roots of Chinese animation are deeply embedded in traditional cultural forms such as shadow puppetry (皮影戏, *pí yǐng xì*), folklore, and oral storytelling practices. These early forms of visual performance were foundational to what would later evolve into cinematic animation. Shadow puppetry is among the oldest forms of visual narrative art in China, providing not only stylistic motifs but also narrative structures that continue to shape animation today (Lent 2013).

Narrative traditions such as storytelling (讲古, *jiǎng gǔ*), temple murals, and the classical pictorial art of handscrolls offered visual grammar that influenced early animation's composition and rhythm. The visual and thematic continuity between these traditions and modern animation underscores the persistent role of Chinese cultural archetypes in visual storytelling (Chen 2005, Wang and Wang 2009).

Perhaps most influential in shaping Chinese animation aesthetics is the ink-wash painting tradition (水墨画, *shuǐmòhuà*), whose emphasis on abstraction, minimalism, and expressive motion was later translated into animated forms. This approach prioritizes symbolic movement and poetic atmosphere over realism, contributing to what scholars later defined as a "national animation style" (民族风格动画, *mínzú fēnggé dònghuà*) (Teo 2011).

The Emergence of Modern Chinese Animation

Modern Chinese animation formally began in the 1920s and 1930s, marked by experimentation with cut-paper and cel animation inspired by foreign cinematic techniques. The pivotal figures in this development were the Wan brothers (万氏兄弟, *Wàn Shì Xiōngdì*), especially Wan Laiming and Wan Guchan, who are widely credited with producing China's first animated short, *Uproar in the Studio* (大闹画室, *Dà Nào Huàshì* 1926) (Lent 2013, Du 2017).

The brothers' most influential work, *Princess Iron Fan* (铁扇公主, *Tiě Shàn Gōngzhǔ* 1941), was based on the mythological narrative from *Journey to the West*. It represented not only the first full-length animated feature film in China but also in Asia. According to Wang (2010), the film employed rotoscoping techniques and synchronized sound, and was heavily influenced by Chinese opera, visual stylization, and classical musical arrangements.

The influence of this film extended beyond China, with scholars noting its impact on early Japanese animation, especially in the work of Osamu Tezuka (Chen 2005). The hybridization of Chinese motifs with Western animation methods became a foundational element of the evolving Chinese animation identity.

In 1935, another milestone was reached with *The Camel's Dance* (骆驼献舞, *Luòtuó Xiàn Wǔ*), directed by Qian Jiajun, recognized as China's first sound-synchronized

animation (Lent 2013). This marked a turning point in Chinese animation's technical development, positioning it on par with international standards of the time.

Pioneering Works and Notable Figures

Following the establishment of the People's Republic of China in 1949, animation became a strategic tool for ideological dissemination. The formation of the Shanghai Animation Film Studio (上海美术电影制片厂, Shànghǎi Měishù Diànyǐng Zhìpiàncǎng) in 1957 institutionalized animation as a state-supported cultural sector (Keane 2013, Macdonald 2015). Funded and managed by the Ministry of Culture, the studio served as a production center, training school, and innovation hub throughout the 1950s–1980s.

Among its most iconic productions was *Havoc in Heaven* (大闹天宫, Dà Nào Tiāngōng 1961–1964), directed by Wan Laiming. The film, which portrayed the Monkey King's rebellion against heavenly authority, became emblematic of Chinese animation's aesthetic maturity and narrative independence (Macdonald 2015, Lent 2013).

Another landmark was *Nezha Conquers the Dragon King* (哪吒闹海, Nézhā Nào Hǎi 1979), directed by Wang Shuchen and Yan Dingxian. The film combined dynamic motion, expressive color palettes, and mythological storytelling in a work that gained international acclaim (Keane 2013).

Te Wei (特伟), a central figure in shaping the aesthetic direction of the studio, pioneered the ink-wash animation genre. His works, such as *The Proud General* (骄傲的将军, Jiāo'ào de Jiāngjūn 1956) and *Where is Mama* (小蝌蚪找妈妈, Xiǎo Kēdǒu Zhǎo Māma 1960), transformed traditional artistic techniques into cinematic language (Macdonald 2015, Wang and Wang 2009).

Te Wei's *Where is Mama* in particular is often cited as the clearest expression of "animated ink painting," reflecting Chinese ecological values and an aesthetic sensitivity that contrasted sharply with Western cel animation. The film received international awards and set a benchmark for "Chinese poetic animation," a genre now studied as a distinct school in animation theory (Teo 2011).

Other significant works of this era include *The Three Monks* (三个和尚, Sān Gè Héshàng 1980), a silent animated parable, and *The Nine-Colored Deer* (九色鹿, Jiǔsè Lù 1981), based on Dunhuang Buddhist murals, both acclaimed for their allegorical depth and symbolic visual construction (Lent, 2013).

Together, these artists and works forged a conceptual and visual language that continues to inform contemporary Chinese animation aesthetics. Their legacy is evident in recent productions that return to traditional narrative forms while employing new technologies, an interplay between continuity and innovation that defines Chinese animation's identity to this day.

The Golden Era of Chinese Animation (1950s-1980s)

The Establishment of State-Owned Animation Studios

The golden era of Chinese animation, spanning the 1950s to the 1980s, coincided with the consolidation of animation under the socialist cultural economy. This period marked a peak in artistic innovation and national cultural identity, facilitated by the institutional establishment of the Shanghai Animation Film Studio (上海美术电影制片厂, Shànghǎi Měishù Diànyǐng Zhìpiànrǎng) in 1957 (Keane 2013, Macdonald 2015).

Supported by the Ministry of Culture, the studio quickly became the epicenter of national animation production. It served not only as a creative and technical hub but also as a space for ideological education, artistic training, and state cultural diffusion (Wang and Wang 2009, Lent 2013). The studio's early productions were informed by national policy goals, focusing on narratives that promoted unity, morality, and socialist values.

The institutional structure allowed animators to work in collaborative units, following a system similar to traditional Chinese craft apprenticeships. As Te Wei noted in retrospective interviews, this structure promoted peer learning and stylistic continuity (Teo 2011). The state-supported model provided financial stability, enabling experimentation without the pressure of immediate commercial return.

Artistic Innovation and Technical Diversification

A distinctive hallmark of this era was the integration of traditional artistic forms into animation. Chinese animators sought to develop a unique “national style animation” (民族风格动画, *mínzú fēnggé dònghuà*), combining heritage with innovation (Chen, 2005). Techniques such as ink-wash animation (水墨动画, *shuǐmò dònghuà*), paper-cut animation (剪纸动画, *jiǎnzhǐ dònghuà*), and puppet animation (木偶动画, *mùǒu dònghuà*) were developed in parallel to cel animation technologies imported from the West.

The most celebrated example of ink-wash animation is *Where is Mama* (小蝌蚪找妈妈, *Xiǎo Kēdǒu Zhǎo Māma* 1960), directed by Te Wei. The film, inspired by the expressive qualities of traditional Chinese painting, demonstrated that animation could serve not only as entertainment but also as a form of fine art (Macdonald, 2015; Lent 2013). It won multiple international awards and is recognized as a cornerstone of the so-called “Chinese poetic animation” genre (Teo 2011).

In parallel, works like *Pigsy Eats Watermelon* (猪八戒吃西瓜, *Zhū Bājiè Chī Xīguā* 1958) exemplified the tactile aesthetic and folk resonance of paper-cut animation. Puppet-based works such as *A Clever Duckling* (聪明的鸭子, *Cōngmíng de Yāzi* 1962) also gained popularity, demonstrating the diversity of visual techniques cultivated during this era (Wang and Wang 2009).

While cel animation (赛璐璐动画) remained foundational, it was often adapted stylistically to emphasize planar composition, stylized movement, and symbolic

visual storytelling, departing from the hyperrealistic animation trends of Hollywood (Chen 2005).

Iconic Works and International Recognition

Among the iconic achievements of this period, *Havoc in Heaven* (大闹天宫, Dà Nào Tiāngōng 1961–64), directed by Wan Laiming (万籁鸣), is perhaps the most influential. Based on *Journey to the West*, it exemplified the combination of mythological content, traditional music, and modern animation technique. The film won international acclaim, including screenings at major festivals such as Locarno and London, and has been described as a cultural milestone comparable to Disney's *Fantasia* in terms of aesthetic ambition (Macdonald 2015, Lent 2013).

Another foundational film was *Nezha Conquers the Dragon King* (哪吒闹海, Nézhā Nào Hǎi 1979), directed by Wang Shuchen and Yan Dingxian. The film, based on the *Fengshen Yanyi* mythology, offered audiences a visually striking and morally complex tale of filial defiance and sacrifice. It remains a classic of Chinese animation and is often cited as a forerunner of the genre of mythological hero animation that continues in works like *Ne Zha* (2019) and *New Gods: Nezha Reborn* (2021) (Keane 2013, Wang and Wang, 2009).

Short-form animations also flourished. *The Proud General* (骄傲的将军, Jiāo'ào de Jiāngjūn, 1956) presented an anti-militaristic allegory with stylistic rigor. *The Three Monks* (三个和尚, Sān Gè Héshàng 1980) offered a minimalist parable about cooperation, employing visual humor and musical cues rather than dialogue. *The Nine-Colored Deer* (九色鹿, Jiǔsè Lù 1981), inspired by Buddhist murals from Dunhuang, embodied a synthesis of visual poetry and moral allegory that expanded the expressive range of Chinese animation (Lent, 2013; Macdonald, 2015).

Socio-Political Context and Institutional Constraints

Despite the achievements of this era, the relationship between animation and the political environment remained ambivalent. While the state's protection and investment facilitated artistic flourishing, the same system imposed ideological constraints and bureaucratic control.

During the Cultural Revolution (1966–1976), many studios were shut down, productions halted, and artists sent to the countryside. This interruption caused a major rupture in the animation production cycle (Keane 2013). Only in the late 1970s did studios begin to re-emerge and reassert creative autonomy, though often under the pressures of evolving ideological shifts and the need to reorient toward audience-centered storytelling.

Nonetheless, even within these constraints, animators embedded subtle social critiques and allegorical reflections on authority and collaboration, as evidenced in films such as *The Three Monks* and *The Proud General*.

Legacy and Global Positioning

The golden era of Chinese animation laid the foundational aesthetics, pedagogical structures, and cultural strategies that continue to shape the industry today. Contemporary works like *White Snake* (2019) and *Deep Sea* (2023) reference this heritage in visual style and thematic tone, demonstrating the persistence of a national animation idiom (Sun and Wang 2023).

In comparison with global models, Chinese animation developed along a distinct path. Whereas American animation emphasized industrialization and franchise-based production, and Japanese anime evolved within a commercial TV serial format, Chinese animation maintained a painterly, auteurist tradition embedded in state-supported institutions (Lent 2013, Chen 2005).

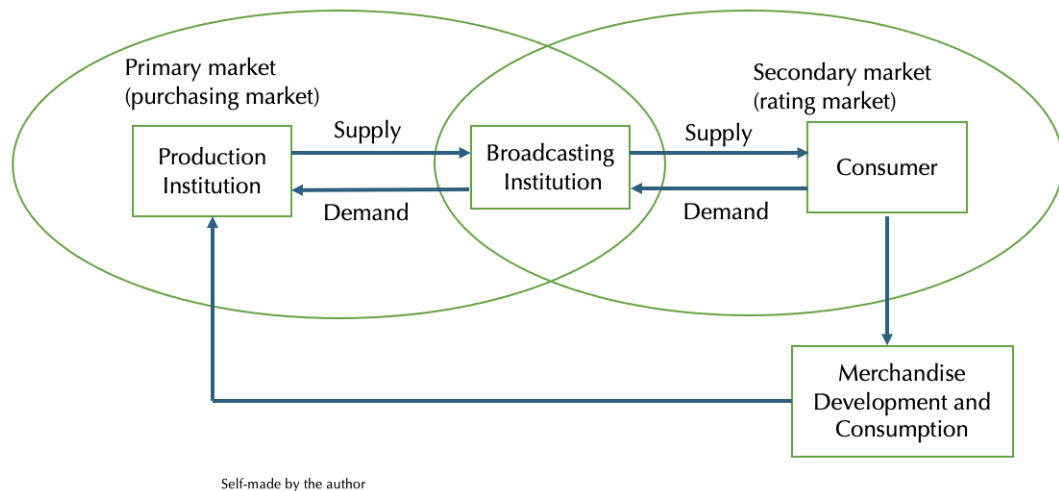
The golden era thus represents not only a historical phase but also an aesthetic paradigm, a legacy of visual lyricism, cultural specificity, and pedagogical intent that continues to influence China's animation renaissance in the 21st century.

The Resurgence of Chinese Animation (1990s-2000s)

Economic Reforms and the Opening Up of the Industry

The 1990s marked a transformative phase in Chinese animation, reflecting broader structural shifts in China's political economy. Following the reform and opening-up policy, cultural industries, including animation, were gradually liberalized and integrated into the broader creative economy. The end of the state monopoly over cultural production allowed private and hybrid animation studios to emerge, laying the foundation for a new industrial paradigm (Keane 2013, Chen 2005).

Traditional mechanisms of animation production



Policy frameworks such as the 1995 “Interim Provisions on the Examination and Approval of Sino-Foreign Cooperative Animation Production Enterprises” encouraged cross-border collaborations, technological transfer, and capital investment. These developments created a diversified production ecosystem, no longer reliant solely on state-owned studios (Wang and Wang 2009).

The restructuring of public institutions, including the corporatization of the Shanghai Animation Film Studio in 2000, reflected this shift toward market logic (Lent 2013). Simultaneously, animation education experienced a significant boost. The establishment of the Animation Department at the Beijing Film Academy in 1993, followed by similar programs in other key institutions, provided the technical and creative workforce necessary for industrial upgrading.

Audience segmentation also evolved. With changing consumption patterns and the rise of youth culture, animation diversified beyond children’s programming. New genres and styles emerged, reflecting the growing influence of global popular culture and the expanding reach of television and digital platforms (Keane and Zhao 2012).

The Rise of Private Animation Studios

A major consequence of the industrial liberalization was the proliferation of private animation studios. Studios like Huayi Brothers Media Corporation began developing animated content with a stronger market orientation and global appeal. A landmark in this trajectory was *Lotus Lantern* (宝莲灯, Bǎo Lián Dēng 1999), produced by Shanghai Animation Film Studio under a new semi-commercial model. The film became one of the first large-scale domestic animated features to achieve

national box office success and marked a stylistic shift toward modern narrative techniques and musical scoring (Wang and Wang 2009).

Smaller studios also contributed to innovation. Productions such as *The Adventures of Little Carp* (小鲤鱼历险记, *Xiǎo Lǐyú Lìxiǎn Jì* 2003) reflected a hybrid aesthetic combining folklore with contemporary storytelling. These productions paralleled global trends while maintaining a uniquely Chinese flavor, indicating an evolving localization strategy (Chen 2005).

Business models also diversified. Studios began adopting merchandising strategies, creating animation-related toys, games, and books. IP (intellectual property) development became central to revenue generation and audience retention, paving the way for the cross-media practices that would characterize the industry in the 2010s (Keane 2013).

International Co-Productions and Collaborations

This period also witnessed the emergence of international co-productions, which became crucial in fostering technological transfer and narrative hybridization. *The Legend of Nezha* (哪吒传奇, *Nézhā Chuánqí* 2003), co-produced by CCTV and Japan's Group TAC, represents a notable example of such transnational cooperation. While grounded in Chinese mythology, the series adopted Japanese production techniques and visual styles, increasing its competitiveness in both domestic and foreign markets (Lent 2013).

Other projects like *The Magic Brush* (神笔马良, *Shénbǐ Mǎliáng* 2002), co-produced with French studios, and *Cubix* (酷比克, *Kùbǐkè* 2001), involving Korean partners, demonstrated the rising internationalization of Chinese animation workflows. These collaborations allowed Chinese studios to improve their technical standards and storytelling methods, aligning more closely with global benchmarks (The Development Status of China's Animation Industry's Foreign Trade 2023).

Participation in international festivals and markets also increased during this time. The launch of the China International Cartoon and Animation Festival (CICAF) in 2004 provided a domestic platform for international exchange, policy coordination, and industrial promotion (Sun and Wang 2023).

Innovation and Industrial Transition

The industry's renewed momentum during the late 1990s and early 2000s paved the way for a deeper shift toward innovation and industrial sophistication. The reform period triggered a transition from artisanal production models toward integrated industrial chains, linking content creation, distribution, and ancillary products (Wang and Wang 2009). The diffusion of digital technologies, 2D and 3D computer animation, digital editing, and virtual post-production, transformed the production pipeline. Studios increasingly adopted software-based workflows, such as Flash and Maya, and began experimenting with CGI techniques. This digital turn

signaled a decisive break from traditional hand-drawn methods (Lent 2013, Macdonald 2015).

By the early 2000s, the notion of animation as part of a cultural industry ecosystem began to take shape. Animation was no longer considered an isolated artform but a key node within broader media convergence. The establishment of animation zones and incubators in cities like Shenzhen and Hangzhou reflected this industrial transition (Sun and Wang 2023).

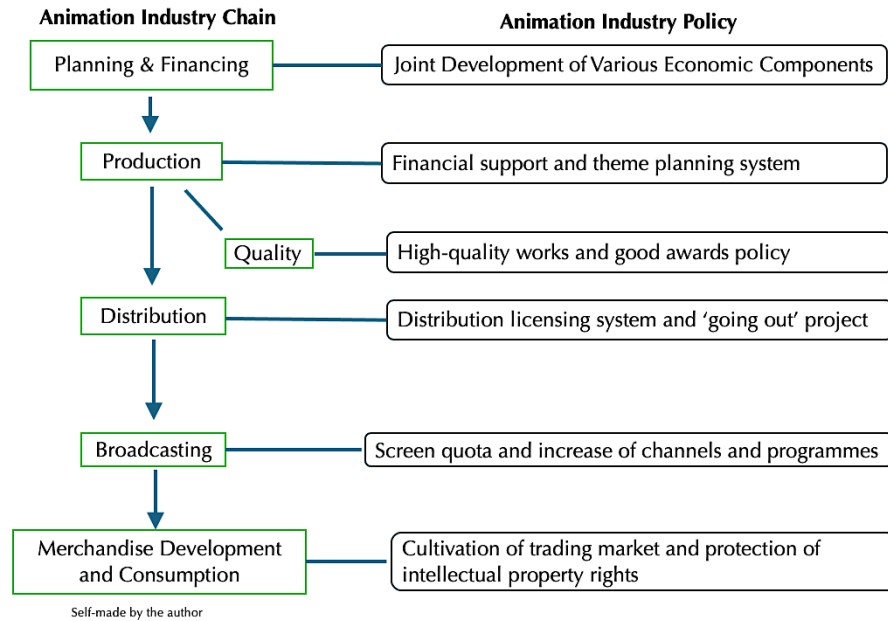
Government policy continued to support this transition. The Ministry of Culture issued new funding instruments and tax incentives for studios developing original IPs, while educational institutions were encouraged to update their curricula with digital content creation and industry-aligned training (Keane and Zhao 2012).

Despite these advances, structural limitations remained. As noted by industry scholars, many projects suffered from weak scripting, derivative aesthetics, and insufficient investment in long-term IP development (Wang and Wang 2009). Nonetheless, this period laid the groundwork for the subsequent boom in quality, innovation, and global projection that would characterize the following decade.

Government Policies and Support

Market Consolidation and Audience Diversification

Since the early 2010s, the Chinese animation industry has experienced a phase of rapid market consolidation, digital expansion, and audience diversification. According to recent reports, the total industrial output value of Chinese animation exceeded RMB 200 billion in 2020 and remained above RMB 220 billion in 2022, confirming its status as one of the strategic pillars of China's cultural industries (Sun and Wang, 2023, *The Development Status of China's Animation Industry's Foreign Trade* 2023).



Animation is no longer confined to children’s entertainment. The transition from a “low-age” model to a “full-age” audience engagement strategy is evident in the popularity of films such as *Big Fish and Begonia* (大鱼海棠, Dà yú Hǎi táng 2016), *White Snake* (白蛇: 缘起, Bái Shé: Yuánqǐ 2019), and *Deep Sea* (深海, Shēnhǎi 2023), which target young adults with aesthetically refined and thematically complex narratives (Chen 2005, Macdonald 2015).

Streaming platforms such as Bilibili, Tencent Video, iQiyi, and Youku have played a significant role in transforming consumption patterns and production strategies. These platforms do not merely serve as distributors but also fund original content, gather audience data, and foster interactive communities. Digital platforms have become integral to China’s cultural economy, blurring the boundaries between audience and creator through participatory culture (Keane 2013).

Industrial Scaling and Capitalization

In recent years, large animation conglomerates such as Light Chaser Animation (追光动画, Zhuīguāng dònghuà), Coloroom Pictures (彩条屋影业, Cǎitiáowū yǐngyè), and Fantawild (华强方特, Huáqiáng Fāngtè) have led the sector’s industrial scaling, supported by investments from Alibaba (阿里巴巴, Ālǐbābā), Tencent (腾讯, Téngxùn), and other cultural industry funds (Keane and Zhao 2012). These studios are no longer merely content producers but operate comprehensive IP ecosystems encompassing merchandising, gaming, theme parks, and transmedia storytelling.

The Boonie Bears (熊出没, Xióng chūmò) franchise exemplifies this model, evolving from a television series into a multi-platform IP with theatrical films, mobile games, and branded products. The 2023 release *Boonie Bears: Guardian Code* (熊出没·伴我“熊芯”, Xióng chūmò · Bàn wǒ “xióng xīn”) exceeded RMB 1.49 billion at the

box office, confirming the financial viability of such integrated production models (Sun and Wang 2023).

Public listings of animation companies and access to venture capital have provided studios with greater financial stability and global competitiveness. Regional governments have also contributed to sectoral development by creating animation industrial zones, cultural parks, and subsidy programs for content development (Animation 2023 年中国动画产业发展报告, 2023 nián Zhōngguó dònghuà chǎnyè fāzhǎn bàogào).

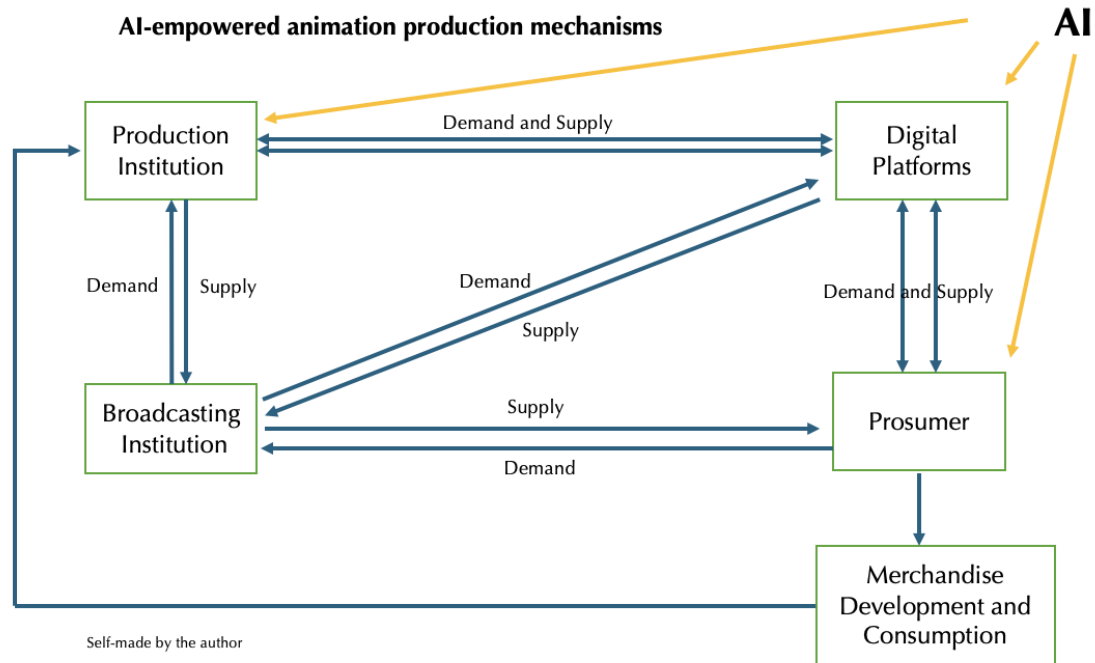
Digital Technologies and AI-Driven Production

The transformation of the production pipeline has been accelerated by digital technologies. Studios now use 3D CGI, motion capture, virtual rendering, and AI-assisted animation systems. This shift has not only improved production efficiency but also enhanced visual sophistication (Lent 2013).

In 2024, the AI-assisted animated film *Qianqiu Shisong* (千秋诗颂) aired on CCTV, employing generative algorithms for background design and music composition. This project exemplifies the rise of human-machine collaborative workflows in Chinese animation (Xinhua News Agency 2024).

Platforms like Baidu's ERNIE-ViLG and Tencent's AI-assisted post-production tools are increasingly embedded in mainstream pipelines, enabling automation of repetitive tasks and supporting creative experimentation (The Development Status of China's Animation Industry's Foreign Trade 2023).

Digital innovations extend to distribution and engagement. NFTs, blockchain-based IP protection, and metaverse-based animation experiences are gaining ground. Companies like iQiyi and Bilibili have launched VR/AR-integrated animated content, suggesting that the future of animation lies in immersive, interactive formats (Sun and Wang 2023).



Global Outreach and Soft Power Expansion

Chinese animation's international presence has grown significantly since the 2010s, both through festival participation and global platform distribution. Works such as *Big Fish and Begonia* (大鱼海棠, Dà yú hǎi táng), *White Snake* (白蛇: 缘起, Báishé: Yuánqǐ), *Jiang Ziya* (姜子牙, Jiāng Ziyá) and *New Gods: Nezha Reborn* (新神榜: 哪吒重生, Xīn shén bǎng: Nèzhā chóngshēng) have been released globally and have garnered critical acclaim (Macdonald 2015, Wang and Wang 2009).

The recent global success of *Ne Zha 2* (哪吒 2, Nèzhā 2) marks a historic milestone. As of early 2025, the film has surpassed USD 2.085 billion in global box office earnings—USD 2.054 billion from China and over USD 31 million from overseas markets—making it the highest-grossing animated film in history, surpassing even *Inside Out 2* by Pixar (The Hollywood Reporter 2025, Maoyan 2025).

This achievement is emblematic of China's cultural soft power strategy, in which animation functions as both cultural export and symbolic representation. The *14th Five-Year Plan for Cultural Industry Development* (文化产业发展“十四五”规划, Wénhuà chǎnyè fāzhǎn “shísìwǔ” guīhuà) emphasizes the global projection of Chinese IPs and encourages international co-productions, overseas distribution partnerships, and participation in festivals such as Annecy and MIPCOM (Keane 2013).

Furthermore, localization strategies, including multilingual dubbing and culturally adaptive scripting, have facilitated the reception of Chinese animation in global markets. Bilibili (哔哩哔哩, Bilibili) content is now distributed across more than 180

countries, reflecting the effectiveness of China's digital soft power infrastructure (Sun and Wang 2023).

In this context, Chinese animation is no longer an isolated sector but a global cultural actor, capable of shaping international aesthetic norms and redefining global storytelling paradigms.

Policy Support and Cultural Strategy

From Protection to Promotion: The Evolution of Policy Frameworks

The development of the Chinese animation industry has been closely tied to state policy. In the early 2000s, animation was formally recognized as a strategic sector within the cultural industries, leading to the implementation of a series of supportive policies at both national and local levels (Keane 2013, Wang and Wang 2009).

Key national policies such as the *"National Cultural Industry Development Plan"* (2004) and the *"Several Opinions on Promoting the Development of the Animation Industry"* (2006) marked a turning point, shifting the role of the state from cultural gatekeeper to industrial promoter (Chen 2005). These policies provided tax incentives, credit support, and funding channels for animation studios and educational institutions (Keane and Zhao 2012).

Municipal governments in cities such as Hangzhou, Changsha, and Shenzhen also invested in animation parks and incubators, facilitating cluster economies and industry-university partnerships (Sun and Wang 2023). The synergy between top-down planning and local-level implementation enabled the rapid expansion of animation infrastructure and talent cultivation.

In subsequent Five-Year Plans, including the 13th and 14th, animation and related cultural IP development were reaffirmed as priority areas. These frameworks promoted domestic content production while also integrating international collaboration into the state's long-term strategy for cultural export (The Development Status of China's Animation Industry's Foreign Trade 2023).

Cultural Soft Power and National Image Construction

Animation plays a key role in China's soft power strategy, as articulated in the discourse of *"telling China's story well"* (讲好中国故事, Jiǎng Hǎo Zhōngguó Gùshi). Animated films serve as visual platforms through which Chinese mythology, ethics, and aesthetics can be transmitted to global audiences (Keane 2013, Chen 2005).

Films like *White Snake* and *Jiang Ziya* not only reflect narrative heritage but also embody the integration of high production values with culturally specific content. Their international success demonstrates how animation has become a soft power

vector that complements traditional diplomacy and state-sponsored international broadcasting (Macdonald 2015).

The Chinese government actively supports the international promotion of animation through film festivals, trade events, and cultural exchange initiatives. Events such as CICAFF, the Beijing International Film Festival, and China's presence at Annecy and MIPCOM are integral to global positioning (Sun and Wang 2023). Furthermore, animation is increasingly tied to the cultural component of the Belt and Road Initiative, promoting joint productions, distribution agreements, and training programs with BRI partner countries (The Development Status of China's Animation Industry's Foreign Trade 2023).

Education, Training, and Talent Incubation

Human capital development has been another priority in state policy. Since the 2000s, animation programs have proliferated in universities, art colleges, and vocational schools across China. Institutions like the Beijing Film Academy, Communication University of China, and China Academy of Art have expanded their animation curricula, balancing traditional techniques with digital innovation (Wang and Wang 2009).

Government policies have encouraged stronger industry-academia partnerships, leading to practical training programs, internship placements, and collaborative R&D projects between studios and educational institutions (Keane and Zhao 2012). Talent development is further supported by national competitions, such as the Golden Dragon Awards (金龙奖, Jīnlóng Jiǎng) and student festivals, which offer exposure and career opportunities for young animators.

Nonetheless, challenges persist. The quality of education varies across institutions, and gaps remain in key areas such as narrative development, IP planning, and production management (Sun and Wang 2023). Addressing these limitations is critical to maintaining a pipeline of skilled talent in line with industry needs.

Policy Limitations and Structural Challenges

Despite positive outcomes, policy support has also generated structural distortions. Some scholars have warned of the emergence of a "subsidy-driven industry model", where studios focus more on qualifying for state funding than on audience engagement or content quality (Keane and Zhao 2012). This can lead to inflated production volumes and a mismatch between market expectations and actual output.

Resource distribution remains uneven. While coastal regions benefit from better infrastructure and policy access, studios in inland areas often face financial constraints and limited exposure (Wang and Wang 2009).

Additionally, frequent changes in content approval mechanisms and overlapping regulatory authorities create uncertainty for producers, particularly in international co-productions (Chen 2005). The lack of long-term planning frameworks and clear content guidelines can hinder creativity and risk-taking.

Furthermore, while export-oriented policies have increased the global visibility of Chinese animation, international success still depends on storytelling, brand identity, and cultural translation—dimensions less easily addressed by top-down planning (The Development Status of China's Animation Industry's Foreign Trade 2023).

Towards a Strategic and Sustainable Animation Policy

Moving forward, Chinese animation policy must evolve from a volume-based approach to a value-oriented strategy. This includes greater emphasis on qualitative indicators, such as audience engagement, critical reception, and cultural impact, rather than mere production quotas.

Policy should support mid-sized and independent studios, encourage genre diversification, and promote international mentorship and co-financing mechanisms. Greater regulatory transparency and decentralized cultural governance would enhance creative freedom and encourage long-term innovation (Keane 2013).

Importantly, policy must support ecosystem development: not just animation production, but also screenwriting, IP law reform, branding, and cross-media integration. This would allow Chinese animation to mature not only as an industrial sector, but also as a culturally resonant artform capable of long-term global relevance.

The Future of Chinese Animation in the AI Era

Integration of AI and Traditional Animation Techniques

The integration of artificial intelligence into the Chinese animation industry is triggering a transformative shift, reshaping production processes, aesthetic possibilities, and professional roles. From generative algorithms and automated motion capture to advanced text-to-video models, AI has become increasingly central to how animated content is created and consumed. This transformation is not solely technological but also cultural, enabling new forms of storytelling while revitalizing traditional narratives.

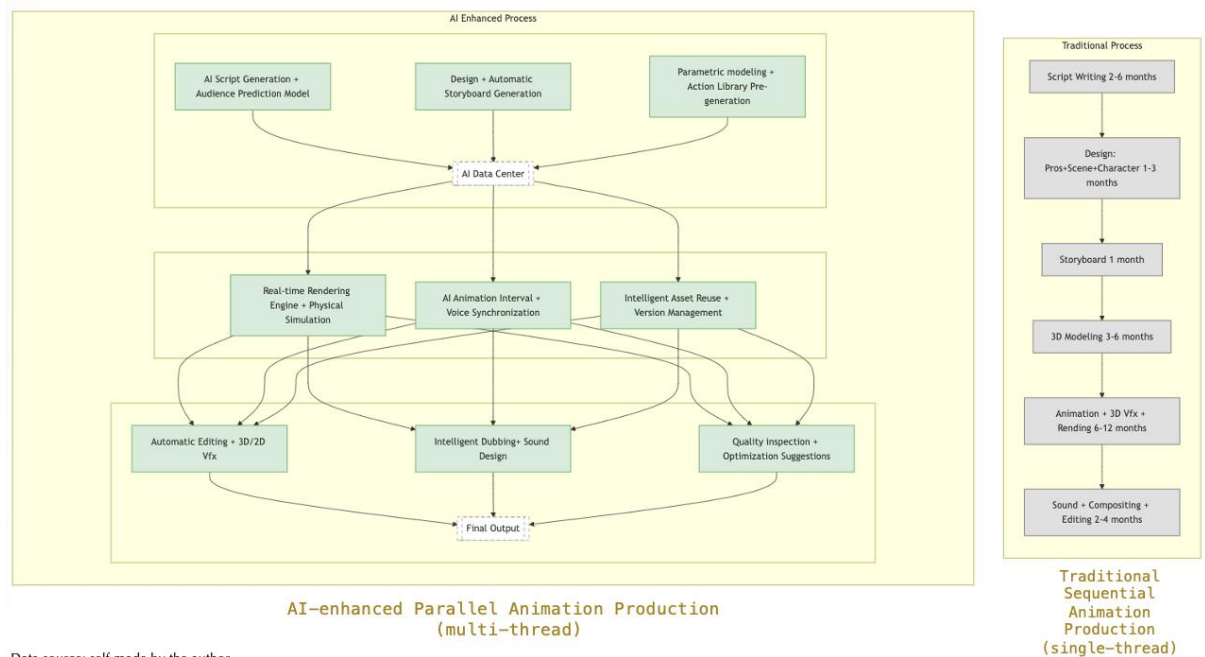
The convergence between AI and traditional animation techniques in China is redefining creative workflows. Machine learning and deep learning models allow AI systems to recognize artistic styles and generate coherent animated sequences. A prominent example is Media GPT (媒体生成预训练模型, Méitǐ shēngchéng yùxùn liè móxíng), jointly developed by China Media Group (中央广播电视总台, Zhōngyāng guǎngbò diànshì zǒngtái) and Shanghai Artificial Intelligence Laboratory (上海人工智能实验室, Shànghǎi réngōng zhìnéng shíyànshì). Trained on vast corpora of poetry, visuals and audio archives, the model generates scenes with a refined, traditional Chinese aesthetic (Cartoon Brew 2024).

The series Qianqiu Shisong (千秋诗颂, Qiānqiū shī sòng), China's first AI-generated animation, illustrates how AI supports the entire animation pipeline—

from art design and scene generation to post-production. Released by CCTV (中央电视台, Zhōngyāng diànshìtái) in February 2024, its 26 episodes were produced three times faster than average thanks to Media GPT (Global Times 2024). Similarly, motion capture technologies enhanced by AI are revolutionizing character animation. Studios like Zoland Animation (中南卡通, Zhōngnán kǎtōng) in Hangzhou have adopted both marker-based and markerless AI-enhanced motion capture. The Zhijiang No.1 Studio (之江一号, Zhījiāng yī hào) uses full-body and facial sensors to reduce frame-by-frame manual labor. Over one-third of Zoland's animations now rely on these techniques (eHangzhou.gov.cn 2024).

Generative Technologies and Industrial Innovation

Generative AI tools, especially text-to-video and image-to-video models, are reshaping content production pipelines. Platforms like Alibaba's Wan 2.1 (万象 2.1, Wànxiàng 2.1) and Tencent's HunyuanVideo (混元视频, Hùnyuán shìpín) allow creators to convert text prompts into animated sequences. Wan 2.1, released as open-source software in early 2025, integrates 14 billion parameters and supports complex multi-object motion (Reuters 2025). HunyuanVideo, with 13 billion parameters, enables high-quality video generation and digital avatar services that automate lip-sync, facial animation and voice synthesis (Tencent Cloud 2024).



A particularly significant application of these technologies is Tuan Yuan Ling (团圆令, Tuányuán lìng), China's first fully AI-generated animated feature, produced by Guanmu Culture Media (灌木文化传媒, Guànmù wénhuà chuánméi). The film employed AI at every stage, from concept art, based on prompts like "gentle

panda in ink-brush style”, to final rendering. Production time dropped from two years to six months and costs were cut by nearly 30% (Science and Technology Daily 2025). Producers noted that multiple production tasks progressed simultaneously thanks to AI coordination, signaling a shift from sequential to parallelized workflows (Yicai 2025).

This technological shift also impacts labor and creative roles. Repetitive tasks like in-betweening and background rendering are now automated, while animators increasingly function as AI supervisors, prompt designers or quality controllers. The emergence of new professional roles reflects an evolving production ecosystem that maintains human creativity at its center (Global Times 2024). AI also contributes to a cultural revitalization process, giving new life to traditional visual languages. In Qianqiu Shisong, AI facilitated the visualization of classical Chinese poetry with visual fidelity and expressive resonance (Cartoon Brew, 2024). A similar experiment is Dragon Gate (龙门, Lóngmén), a three-minute short by Duan Wenkai (段文凯, Duàn Wénkǎi) from Communication University of China (中国传媒大学, Zhōngguó chuánméi dàxué), which uses AI-generated ink painting aesthetics to animate historical narratives (Short Shorts Film Festival & Asia 2024).

Democratization, Global Reach and Strategic Development

AI is also contributing to the democratization of animation production. Tools like Vidu, developed by Shengshu Technology (生数科技, Shēngshù kējì), and Kling, by Kuaishou (快手, Kuàishǒu), allow non-specialists to create animations with minimal resources. By late 2024, Kling had surpassed six million users and generated over 65 million videos (PingWest 2024). Such tools are expanding access to animation production, empowering creators and small studios previously excluded from the industry.

Despite rapid progress, challenges remain. Industry experts emphasize the need to improve AI model stability, artistic expressiveness and semantic coherence. Hybrid workflows combining human direction with AI generation are considered a viable path forward, alongside the development of training programs and continuous refinement of algorithms to meet cinematic standards (Science and Technology Daily 2025). Chinese policymakers see AI as a catalyst to enhance productivity and enrich cultural expression, not as a substitute for human creativity. As the integration of AI continues, the domestic animation industry is positioning itself as a global innovator in digital content creation.

Conclusions

The evolution of Chinese animation demonstrates a long-term trajectory from traditional visual culture to a technologically advanced and globally competitive industry. Over the decades, the sector has shifted from artisanal experimentation to state-supported industrialization, and more recently, to innovation-driven digital production. This transformation is deeply intertwined with policy direction, market development, cultural strategy, and, increasingly, the adoption of artificial intelligence.

Recent trends confirm a structural transition from quantity-focused production to quality-oriented development. Data from 2023 indicate a reduction in overall animation output in terms of minutes produced, yet a parallel rise in narrative depth, visual sophistication, and audience reception. Productions such as *Miles from Chang'an* (长安三万里, *Cháng'ān sān wàn lǐ*) and *Boonie Bears: Guardian Code* (熊出没·伴我“熊芯”, *Xióng chūmò · Bàn wǒ “xióng xīn”*) have achieved remarkable box office performance, reflecting a growing demand for domestic animated content that blends cultural heritage with contemporary visual storytelling.

Artificial intelligence is now a transformative force in this development. Its integration into various stages of production—from script visualization and style replication to motion capture and post-production—has accelerated workflows, reduced costs, and expanded creative possibilities. Case studies such as *Qianqiu Shisong* (千秋诗颂, *Qiānqiū shī sòng*) and *Tuan Yuan Ling* (团圆令, *Tuányuán lìng*) reveal how AI has already reshaped production cycles, artistic processes, and professional roles in animation. The emergence of figures such as prompt designers and AI supervisors reflects the changing nature of work in the creative industries, confirming a broader shift toward hybrid human-machine collaboration.

The increasing use of AI also raises important questions concerning artistic authenticity, cultural integrity, and semantic coherence. While algorithmic tools offer new expressive capacities, the role of human oversight remains essential to preserve the narrative and symbolic richness that defines Chinese animation. As noted in various industry reports and scholarly analyses (Keane and Zhao, 2012; Wang and Wang, 2009; Chen, 2005; Sun and Wang, 2023), the future of the sector depends not only on technological advancement but also on the ability to integrate innovation with tradition in meaningful and culturally grounded ways.

The convergence of digital intelligence and traditional aesthetics suggests a new configuration of animation as a space where symbolic heritage and algorithmic imagination intersect. Productions such as *Dragon Gate* (龙门, *Lóngmén*) and *Qianqiu Shisong* (千秋诗颂, *Qiānqiū shī sòng*) exemplify how AI technologies can revitalize classical visual forms such as ink painting and poetic storytelling, aligning with broader strategies of cultural soft power and media export (Macdonald, 2015; Animation 2023 年中国动画产业发展报告 2023).

The milestone reached by *Ne Zha 2* (哪吒 2, *Nǎzhā 2*), which has entered the global top five highest-grossing films and become the most successful animated film worldwide, is emblematic of this evolution. It signals not only the financial strength

of Chinese animation but also its capacity to resonate with global audiences through culturally specific yet technologically advanced storytelling.

In this light, the future of Chinese animation lies in its ability to synthesize artistic heritage, technological innovation, and international engagement. As long as human creativity continues to guide AI development, Chinese animation will not only maintain its cultural distinctiveness but also expand its influence within the global audiovisual landscape.

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